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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

----- In the Matter of -----)
PUBLIC UTILITIES COMMISSION)
Instituting an Investigation)
Into the Availability of)
Experienced Providers of)
Quality Telecommunications)
Relay Services, Pursuant to)
Section 16.6, Hawaii Revised)
Statutes.)
_____)

DOCKET NO. 03-0058

ORDER NO. 20111

Filed April 4, 2003
At 4:00 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

2003 APR -7 P 4:12

RECEIVED

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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| Section 16.6, Hawaii Revised) | |
| Statutes.) | |
| _____) | |

ORDER

I.

By Order No. 20067, filed on March 7, 2003, the commission initiated an investigation into the availability of experienced providers of quality telecommunications relay services (TRS), pursuant to Hawaii Revised Statutes (HRS) § 269-16.6 and Hawaii Administrative Rules (HAR) § 6-61-71. By that same order, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate) and Verizon Hawaii Inc. (Verizon) were made parties to this proceeding to assist the commission in among other things, ensuring uninterrupted provision of relay services for the deaf, hearing-impaired, and speech-impaired.¹

¹By Protective Order No. 20084, filed on March 13, 2003, the commission approved the stipulated protective order submitted by the Consumer Advocate and Verizon.

On March 10, 2003, the commission submitted letters to the parties and prospective service providers² seeking comments on the commission's draft request for services (RFS) prior to finalizing, adopting and issuing a final RFS.

On March 27, 2003, Sprint Communications Co., LP and Verizon filed their comments to the draft RFS in response to the March 10, 2003 letter.

On March 31, 2003, Hamilton Relay Services submitted its comments to the draft RFS in response to the March 10, 2003 letter.

On April 1, 2003, the State of Hawaii Disability and Communication Access Board (DCAB) submitted its comments to the draft RFS.³

II.

HRS § 269-16.6 requires the commission to investigate the availability of experienced providers of quality TRS and select the best qualified provider of such services. Accordingly, in light of Verizon's February 24, 2003 notice to terminate its TRS service in Hawaii in July, 2003, and pursuant

²The prospective service providers included the following: Vista Information Technologies; SBC Southwest; CSD; MCI Global Relay; Hamilton Relay Service; AT&T; and Sprint Communications Co., LP.

³On March 13, 2003, we also submitted a copy of Order No. 20067 and the March 10, 2003 draft RFS to DCAB. Pursuant to HRS § 348F-3, DCAB, among other duties and functions, serves "as a public advocate of persons with disabilities by providing advise and recommendations and matters relating to access for persons with disabilities."

to HRS § 269-16.6 and HAR § 6-61-71, the commission instituted an investigation into the availability of experienced providers of quality TRS. As part of our investigation, we solicited comments from the parties in this docket and prospective service providers to assist us in developing a final RFS that would ensure the uninterrupted provision of relay services for the deaf, hearing-impaired, and speech-impaired in the State of Hawaii in accordance with minimum standards for TRS specified by the Federal Communications Commission, and the intent and implementation guidelines of Title IV of the American with Disabilities Act of 1990, Pub. L. 101-336, 104 Stat. 327, 366-369 (1990).

Upon consideration of all of the comments submitted to the commission relating to its draft RFS, the commission finds that some of these comments should be incorporated by reference.⁴ We, thus, conclude that the final RFS, attached hereto as Exhibit A, should be adopted and made part of this order.

The commission also finds it is necessary to have the Consumer Advocate assist the evaluation committee established by the final RFS in evaluating the merits of the applicable proposals. Accordingly, we also conclude that the Consumer Advocate should designate a representative to be a member of the commission's evaluation committee. The name of the

⁴The parties should note that in fashioning the final RFS, the commission took into account the comments submitted by all parties, prospective service providers and DCAB. While not all comments were incorporated into the final RFS, the essence of the issues raised by each commenter were considered and deemed very helpful for us in finalizing the RFS.

representative shall be submitted by letter to the commission by April 23, 2003.

III.

THE COMMISSION ORDERS:

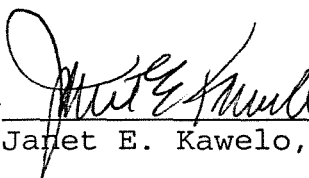
1. The final RFS, attached hereto as Exhibit A, shall be adopted and made part of this order. Unless ordered otherwise, the schedule set forth in the final RFS shall control the instant proceedings.

2. The Consumer Advocate shall designate a representative to be a member of the evaluation committee. The name of the representative shall be submitted by letter to the commission by April 23, 2003.

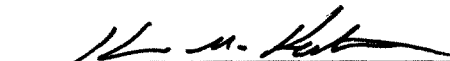
DONE at Honolulu, Hawaii this 4th day of April, 2003.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Kevin M. Katsura
Commission Counsel

By 
Gregg J. Kinkley, Commissioner

SPECIFICATIONS AND INSTRUCTIONS FOR
SUBMISSION OF PROPOSALS TO PROVIDE TELECOMMUNICATIONS RELAY
SERVICES
FOR THE STATE OF HAWAII (RFS)
April 4, 2003
Docket No. 03-0058

EXHIBIT "A"

SECTION 1: INTRODUCTION

1.1 Table of Contents

- Section 1 - Introduction
- Section 2 - Supplemental Solicitation Instructions
- Section 3 - Background, Overview and Requirements
- Section 4 - Statement of Work
- Section 5 - Service Provider Response Format
- Section 6 - Proposal Instructions, Evaluation and Award

1.2 Scope of Work. The purpose of this Request for Services (RFS) is to solicit proposals for providing telecommunications relay services (TRS) for calls originating in the State of Hawaii. Evaluation and award will be based on the following factors: (1) technical merit of the proposal; (2) price; and (3) management capability.

1.3 Duration of Services. TRS shall be provided under an order issued by the Hawaii Public Utilities Commission (Commission). The order shall specify the commencement date, and the services that shall be provided for a period of three years, with the provision for the Commission at its discretion to continue the service for 2 additional years.

1.4 Number of Awards. The Commission will select one service provider as a result of this RFS.

1.5 RFS Cancellation. The Commission reserves the right to cancel this entire RFS or individual phases at any time, without penalty.

SECTION 2: SUPPLEMENTAL SOLICITATION INSTRUCTIONS

2.1 Official Means of Communication. During the solicitation process for this RFS, all official communications with service providers will be by mail. All communications and inquiries concerning this RFS should be addressed to: Hawaii Public Utilities Commission, 465 South King Street, Room #103, Honolulu, Hawaii 96813.

2.2 Supplemental Solicitation Instructions.

2.2.1 Issuing Office. This RFS is issued by the Commission. The Commission is the sole point of contact concerning this RFS.

2.2.2 Schedule of Activities

1. RFS Available to Prospective Bidders on April 7, 2003.
2. Proposal Submission Deadline Submit 1 Original and 9 copies of the Proposal and 1 electronic Format on Diskette is April 23, 2003, 4:30 p.m. Hawaii time.
3. Selection of TRS Provider on April 30, 2003.
4. Service Period is July 1, 2003 - June 30, 2006.
5. The Service May Be Continued For 2 Additional Years, At The Sole Discretion Of The Commission.

2.3 News Release. News releases pertaining to this RFS shall NOT be made prior to the filing of a final order without prior approval by the Commission.

2.4 Proposal Submission/Copies. Detailed instructions on proposal preparation and submission are set forth in section 5. It is the responsibility of the service provider to ensure that the Commission receives the proposal on or before the proposal submission deadline, regardless of the delivery method used.

2.5 Proprietary/Confidential Information. Except for the evaluation committee established by this RFS, the contents of any proposal submitted to the Commission in response to this RFS shall be kept confidential and under protective seal, and shall not be distributed in any case to parties in Docket No. 03-0058 or service providers who are participating in the RFS process until after the Commission's selection is made or the aforesaid docket is closed, whichever occurs first. Because parties in Docket No. 03-0058 and service providers responding to the RFS may be required to disseminate additional proprietary or other confidential information, subsequent to the submission of the proposals, the information may, upon the parties' or service providers' written request, be subject to a protective order approved and issued by the Commission, pursuant to Section 6-61-50, Hawaii Administrative Rules, in Docket No. 03-0058.

2.6 RFS Response Material Ownership. All proposals submitted in response to this RFS becomes the property of the Commission. Subject to the limitations outlined in section 2.5 above, any person may renew and obtain copies of such proposals after the final order has been issued. The Commission has the right to use any or all information/material presented in reply to the RFS, subject to limitations outlined in section 2.5 above.

2.7 Acceptance of Proposal Content. The content of the proposal and the terms of this RFS will become binding on the selected service provider.

2.8 Selection of Successful Proposal and Notice of Intent to Award. The Commission reserves the right to make an award on receipt of initial proposals, so service providers are encouraged to submit their most favorable proposal at the time established for receipt of proposals. Service providers not meeting the requirements identified in the RFS shall be ineligible for further consideration. The Commission may conduct discussions with service providers in the competitive range in order to promote understanding of the Commission's requirements and the service provider's proposal, clarify requirements and make adjustments in price or services to be performed. Changes to proposals, if permitted, will be requested in writing from service providers.

2.9 Factors Considered in Evaluation. In selecting a service provider, the following factors will be considered: (1) technical merit of the proposal; (2) price; and (3) management capability. All service providers must meet the minimum requirements established by this RFS to be eligible for award.

2.10 Parent Company. If a service provider is owned or controlled by a parent company, the name, main office address and parent company's tax identification number shall be provided in the proposal.

2.11 Certification of Independent Price Determination

2.11.1 By submission of this proposal, each service provider (and in the case of a joint proposal, each party thereto) certifies that in connection with this RFS:

- a) The prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other bidding service provider or with any competitor.
- b) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the service provider and will not knowingly be disclosed by the service provider prior to opening,

directly or indirectly, to any other bidding service provider or to any competitor; and

- c) No attempt has been made or will be made by the service provider to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

2.11.2 By submission of this proposal, each service provider (and in the case of a joint proposal, each party thereto) certifies that:

- a) He/She is the person in the service provider's organization responsible within that organization for the decision as to the prices being offered herein and that he/she has not participated, and will not participate, in any action contrary to 2.11.1(a) through 2.11.1(c); or
- b) He/She is not the person in the service provider's organization responsible within that organization for the decision as to the prices being offered herein, but that he/she has been authorized in writing to act as agent for the person(s) responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above, and as their agent does hereby so certify; and he/she has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above.

2.12 Terms and Conditions. The Terms and Conditions included in this RFS.

2.12.1. Legislative and Regulated Changes. The Commission reserves the right to amend the terms of TRS in response to legislative changes and regulated changes imposed by the Federal Communications Commission that affect this RFS.

2.12.2. Audit, Inspection of Records, and Monitoring. The selected service provider must permit the State, Federal Government, or any other duly authorized agent of a governmental agency to audit, inspect, examine, excerpt, copy and/or transcribe service provider's records to evaluate

the service provider's performance and compliance with the Commission's order. The service provider shall also permit these same described entities to monitor all activities conducted by the service provider pursuant to the terms of the final order.

2.12.3 Order of Precedence. In the event of any conflict or inconsistency between terms of this RFS and the proposal, such conflict or inconsistency shall be resolved first by giving effect to the terms and conditions of the Final Order, second to the RFS, and third, to the proposal.

2.12.4 Venue. The venue for any litigation related to performance of TRS shall be in the State of Hawaii.

2.13 Service Provider Proposed Terms and Conditions. Except as specified therein, the submission of the service provider's proposal will indicate acceptance of the terms and conditions herein. Service providers must disclose in their proposals terms and conditions or required clarifications of terms and conditions consistent with these instructions. The Commission reserves the right to clarify terms and conditions not having an appreciable effect on quality, price/cost, risk or delivery schedule during post-award formalization of the Final Order.

Section 3: BACKGROUND, OVERVIEW AND REQUIREMENTS

3.1 Background. As a result of Act 207, 1988 Session Laws of Hawaii, which required a program to achieve a telephone relay service, and the Commission's Decision and Order No. 10263, filed on June 29, 1989 in Docket No. 6440, Verizon Hawaii Inc. (fka GTE Hawaiian Telephone Company Inc.) began providing TRS on July 1, 1989 at a surcharge of \$0.12 per access line per month. Two years later in accordance with Act 295, 1989 Session Laws of Hawaii, the Commission issued Order No. 11645, filed on June 1, 1992 in Docket No. 7320, which initiated an investigation into the availability of experienced providers of TRS and released a request for proposal entitled Specifications and Instructions for Submission of a Proposal to Provide Telecommunications Relay Services for the State of Hawaii. On August 31, 1992, the Commission issued Order No. 11764, allowing Verizon Hawaii Inc. to provide TRS at a monthly surcharge of \$0.07 per subscriber access line per month. On January 30, 2002, the Commission issued Order No. 19164, in Docket No. 02-0027, allowing Verizon Hawaii Inc. to raise the surcharge to \$0.17.

3.2 Overview. The Commission is empowered to select a TRS provider. The purpose of this RFS is to select a TRS provider for a period of three years beginning July 1, 2003, with the provision for the Commission having the discretion to continue the service for 2 additional years beyond the initial three-year period. The source of revenue for the service will be one of two methods: 1) a surcharge upon each telephone subscriber line provided by every telecommunications carrier in Hawaii or 2) a percentage surcharge upon the revenues of every telecommunications provider in Hawaii; however, adoption of a revenue-based surcharge is contingent upon passage of legislation in Hawaii in the 2003 legislative session.

Currently, TRS is funded by a surcharge on each telephone subscriber line by each local exchange carrier in Hawaii. The current charge is 17 cents per month per line, and the Commission has the authority to change the charge as deemed necessary, without having to receive any additional authorization from the legislature. The purpose of this RFS is to select a provider of TRS for a period of three years with provision for the Commission to continue the service for 2 additional years beyond the initial three-year period.

3.3 Requirements. The services must be provided 24 hours a day, for all 365 days a year. The Commission intends to maintain FCC certification for its services, so the provider must meet current FCC requirements for the types and quality of services provided. Future enhancements required by the FCC will also be met and/or the Commission may determine that enhancements not required by the FCC should be initiated. In either instance, this would likely result in negotiated price changes with the service provider. In the most recent calendar year, from January 1, 2002 to December 31, 2002, call volumes averaged 9,821 inbound calls per month and 52,200.39 billable call minutes. See Attachment 1.

SECTION 4: STATEMENT OF WORK

4.1 Definitions:

- 4.1.1.** *American Sign Language (ASL).* A visual language based on hand shape, position, movement and orientation of the hands in relation to each other and the body.
- 4.1.2.** *ASCII.* An acronym for American Standard Code for Information Interexchange which employs an eight bit code and can operate at any standard

transmission baud rate including 300, 1200, 2400, and higher.

- 4.1.3. *Baudot.* A seven bit code, only five of which are information bits. Baudot is used by some text telephones to communicate with each other at a 45.5 baud rate.
- 4.1.4. *Common carrier or carrier.* Any common carrier engaged in interstate communication by wire or radio as defined in section 3(h) of the Communications Act of 1934, as amended (the Act), and any common carrier engaged in intrastate communication by wire or radio, notwithstanding section 2(b) and 221(b) of the Act.
- 4.1.5. *Communications Assistant (CA).* A person who transliterates or interprets conversation between two end users of TRS. CA supersedes the term "TDD operator."
- 4.1.6. *Hearing carry over (HCO).* A reduced form of TRS where the person with the speech disability is able to listen to the other end user and, in reply, the CA speaks the text as typed by the person with the speech disability. The CA does not type any conversation.
- 4.1.7. *Telecommunications relay services (TRS).* Telephone transmission services that provide the ability for an individual who has a hearing or speech disability to engage in communication by wire or radio with a hearing individual in a manner that is functionally equivalent to the ability of an individual who does not have a hearing or speech disability to communicate using voice communication services by wire or radio. Such term includes services that enable two-way communication between an individual who uses a text telephone or other nonvoice terminal device and an individual who does not use such a device, speech-to-speech services, video relay services and non-English relay services. TRS supersedes the term "dual party relay system," "message relay services," and "TDD Relay."
- 4.1.8 *Text telephone (TTY).* A machine that employs graphic communication in the transmission of coded signals through a wire or radio communication

system. TTY supersedes the term "TTD" or "telecommunications device for the deaf," and TT.

- 4.1.9 *Voice carry over (VCO).* A reduced form of TRS where the person with the hearing disability is able to speak directly to the other end user. The CA types the response back to the person with the hearing disability. The CA does not voice the conversation.
- 4.1.10 *Speech-to-Speech relay service (STS).* A telecommunications relay service that allows people with speech disabilities to communicate with voice telephone users through the use of specially trained CAs who understand the speech patterns of persons with disabilities and can repeat the words spoken by that person.
- 4.1.11 *Video relay service (VRS).* A telecommunications relay service that allows people with hearing or speech disabilities who use sign language to communicate with voice telephone users through video equipment. The video link allows the CA to view and interpret the parties signed conversation and relay the conversation back and forth with a voice caller.
- 4.1.12 *Non-English language relay service.* A telecommunications relay service that allows persons with hearing or speech disabilities who use languages other than English to communicate with voice telephone users in a shared language other than English, through a CA who is fluent in that language.
- 4.1.13 *Qualified interpreter.* An interpreter who is able to interpret effectively, accurately, and impartially, both receptively and expressively, using any necessary specialized vocabulary.

4.2 Subcontractors: Planned use of subcontractors shall be clearly explained in the proposal, including the terms of any subcontract. However, the selected service provider shall be responsible for provision of the service whether or not subcontractors are used. Current employees of the State of Hawaii may not participate as subcontractors of the provision of TRS.

4.3 Compliance: All service providers will submit positive statements with respect to their willingness to comply with all work requirements and the terms and conditions specified in this RFS. The Telecommunications Relay System must meet all requirements necessary for certification by the FCC; therefore, if any of the following requirements conflict with current FCC certification requirements, the FCC requirements shall prevail. All service providers will clearly describe and explain any proposed deviations from or changes to the RFS requirements for consideration by the Commission. The Commission reserves the right to reject any proposal including such deviations or changes.

4.4 Employment of State Personnel. The service provider shall not knowingly engage, on a full-time, part time or other basis during the period of the service, any individual involved in the preparation of RFS, or the selection and/or award of the service.

4.5 Payment. No more than fifteen days after the close of each month, the service provider will submit a report to the Commission detailing the previous month's work. Then, the Commission, within thirty (30) days of receipt of said report, will authorize or determine a date the provider is authorized to withdraw payment from the TRS account or fund. Total reimbursement shall not exceed the total fixed bid per minute price.

4.6 Operational Standards.

4.6.1 Communications Assistants (CA). TRS providers are responsible for requiring that CAs be sufficiently trained to effectively meet the specialized communications needs of individuals with hearing or speech disabilities; and that CAs have competent skills in typing, grammar, spelling, interpretation of typewritten ASL, and familiarity with hearing and speech disability culture, languages and etiquette. CAs must possess clear and articulate voice communications. CAs must provide a typing speed of a minimum of 60 words per minute. Technological aids may be used to reach the required typing speed. Providers must give oral-to-type tests of CA speed. TRS providers are responsible for requiring that VRS CAs are qualified interpreters. A "qualified interpreter" is able to interpret effectively, accurately, and impartially, both receptively and expressively, using any necessary specialized vocabulary.

- 4.6.2 Confidentiality and Conversation Content.** Except as authorized by section 705 of the Communications Act, 47 U.S.C. § 605, CAs are prohibited from disclosing the content of any relayed conversation regardless of content, and with a limited exception for STS CAs, from keeping records of the content of any conversation beyond the duration of a call, even if to do so would be inconsistent with state or local law. STS CAs may retain information from a particular call in order to facilitate the completion of consecutive calls, at the request of the user. The caller may request the STS CA to retain such information, or the CA may ask the caller if he wants the CA to repeat the same information during subsequent calls. The CA may retain the information only for as long as it takes to complete the subsequent calls. CAs are prohibited from intentionally altering a relayed conversation and, to the extent that it is not inconsistent with federal, state or local law regarding use of telephone company facilities for illegal purposes, must relay all conversations verbatim unless the relay user specifically requests summarization, or if the user requests interpretation of an ASL call. An STS CA may facilitate the call of an STS user with a speech disability so long as the CA does not interfere with the independence of the user, the user maintains control of the conversation, and the user does not object. Appropriate measures must be taken by relay providers to ensure that confidentiality of VRS users is maintained.
- 4.6.3 Types of Calls.** Consistent with the obligations of common carrier operators, CAs are prohibited from refusing single or sequential calls or limiting the length of calls utilizing relay services. TRS shall be capable of handling any type of call normally provided by common carriers and the burden of proving the infeasibility of handling any type of call will be placed on the carriers. Providers of TRS are permitted to decline to complete a call because credit authorization is denied.

- 4.6.4 Handling of Emergency Calls.** Providers must use a system for incoming emergency calls that, at a minimum, automatically and immediately transfers the caller to the nearest Public Safety Answering Point (PSAP). In addition, a CA must pass along the caller's telephone number to the PSAP when a caller disconnects before being connected to emergency services.
- 4.6.5 In-Call Replacement of CAs.** CAs answering and placing a TTY-based TRS or VRS call must stay with the call for a minimum of 10 minutes. CAs answering and placing an STS call must stay with the call for a minimum of 15 minutes.
- 4.6.6 CA Gender Preferences.** TRS providers must make best efforts to accommodate a TRS user's requested CA gender when a call is initiated and, if a transfer occurs, at the time the call is transferred to another CA.
- 4.6.7 STS Called Numbers.** Relay providers must offer STS users the option to maintain at the relay center a list of names and telephone numbers that the STS user calls. When the STS user requests one of these names, the CA must repeat the name and state the telephone number to the STS user. This information must be transferred to any new STS provider.
- 4.7 Technical Standards.**
- 4.7.1 ASCII and Baudot.** TRS shall be capable of communicating with ASCII and Baudot format, at any speed generally in use.
- 4.7.2 Speed of Answer.** TRS shall include adequate staffing to provide callers with efficient access under projected calling volumes, so that the probability of a busy response due to CA unavailability shall be functionally equivalent to what a voice caller would experience in attempting to reach a party through the voice telephone network. TRS shall, except during network failure, answer 85% of all calls within 10 seconds by any method which results in the caller's call immediately being placed, not put in queue or on hold. The 10 seconds begins at the time the call is delivered to the TRS center's network.

The call is considered delivered when the relay center's equipment accepts the call from the local exchange carrier and the public switched network actually delivers the call to the TRS center. Abandoned calls shall be included in the speed-of-answer calculation. A provider's compliance with this rule shall be measured on a daily basis. The system shall be designed to a P.01 standard. A carrier shall provide the call attempt rates and the rates of calls blocked between the carrier and the relay center to relay administrators and relay centers upon request.

- 4.7.3 Equal Access to Interexchange Carriers.** TRS users shall have access to their chosen interexchange carrier through the TRS, and to all other operator services, to the same extent that such access is provided to voice users.
- 4.7.4 TRS Facilities.** TRS shall operate every day, 24 hours a day. TRS shall have redundancy features functionally equivalent to the equipment in normal central offices, including uninterruptible power for emergency use. TRS shall transmit conversations between TTY and voice callers in real time. Adequate network facilities shall be used in conjunction with TRS so that under projected calling volumes the probability of a busy response due to loop trunk congestion shall be functionally equivalent to what a voice caller would experience in attempting to reach a party through the voice telephone network.
- 4.7.5 Technology.** No regulation set forth in this subpart is intended to discourage or impair the development of improved technology that fosters the availability of telecommunications to persons with disabilities. VCO and HCO technology are required to be standard features of TRS.
- 4.7.6 Voice Mail and Interactive Menus.** CAs must alert the TRS user to the presence of a recorded message and interactive menu through a hot key on the CA's terminal. The hot key will send text from the CA to the consumer's TTY indicating that a recording or interactive menu has been encountered. Relay providers shall electronically capture recorded messages and retain them for the length of the call. Relay providers may not impose any

charges for additional calls that must be made by the relay user in order to complete calls involving recorded or interactive messages.

- 4.7.7 Pay-per-call Calls.** Relay services shall be capable of handling pay-per-call calls.

4.8 Functional Standards.

- 4.8.1 Consumer Complaint Handling.** Service providers shall describe the steps to be taken in resolving complaints regarding services or personnel. The complaint procedures, or a reference to them, must be included in all printed materials about the relay service for the community outreach program and any material distributed for the public or relay users. The contractor shall ensure that any caller to the relay center will be able to reach a supervisor or administrator while still on line during a relay call if they have a complaint. Proposals must guarantee that a consumer complaint log and complaint resolution procedures meeting FCC requirements will be maintained by the TRS vendor. The log must include, at a minimum, the date the complaint was filed, the nature of the complaint, the date of resolution, and an explanation of the resolution. Beginning July 1, 2003, the service provider shall submit summaries of logs indicating the number of complaints received for the 12-month period ending May 31 to the State and FCC by July 1 of each year. Proposals must include a sample of the written notification that will be sent to all consumers registering a complaint that explains the procedures for the resolution of complaints, including contact information for both the Commission and the FCC should they not be satisfied with the resolution of the complaint by the TRS vendor. To enable the Commission to both meet its complaint resolution responsibilities to the FCC and to monitor the relay services being provided to ensure that the service provider is providing good relay services and making reasonable efforts to resolve complaints, the TRS service provider will make the full contents of the complaint log available, on request, and provide the names and addresses or phone numbers of any complainants available to the Commission upon request. Service providers shall propose a method to make the resolution of any complaint

available for such review. If complaints are issued a unique identifier (number), for instance, an acceptable method would enable the Commission to identify a sample of identifiers and receive the details of those particular complaints and contact information of the complainants from the TRS service provider.

- 4.8.2 Long distance calls.** Service providers must provide billing for long distance services and state how the FCC's carrier of choice requirement will be met. TRS users shall pay rates for intra-state and interstate long distance calls that are no greater than the rates paid for functionally equivalent voice communication services with respect to such factors as the duration of the call, the time of day, and the distance from the point of origination to the point of termination. Service providers shall specify the long distance service to be used if the caller does not specify a carrier of choice, and whether any special discounts will be provided to TRS calls.
- 4.8.3 Treatment of TRS customer information.** Consistent with FCC requirements, should a different TRS provider be selected to provide relay services for the State in the future, the TRS provider shall provide for the transfer of TRS customer profile data from the outgoing TRS vendor to the incoming TRS vendor. Such data must be disclosed in usable form at least 60 days before the provider's last day of service provision. Such data may not be used for any purpose other than to connect the TRS user with the called parties desired by that TRS user. Such information shall not be sold, distributed, shared or revealed in any other way by the relay center or its employees, unless compelled to do so by lawful order. The service provider may not use any information obtained from relay calls to support other business.
- 4.8.4 Staffing.** The service provider shall:
(1) provide a listing of proposed staffing that will be required to handle the State's calls, either in a separate new relay center or additional staffing system wide, including, if appropriate, shift supervisors, clerical staff, CAs, management personnel and other needed positions on the various shifts during a week;

(2) include job descriptions and qualifications for the various positions that will be added; (3) describe any efforts that will be made for the active recruitment of employees with American Sign Language and relay service experience and with expertise working within the deaf community; and (4) include an example of the form CAS will be required to sign pledging to protect the confidentiality of TRS users. The relay center shall not utilize volunteers as CAS.

4.8.5 Proficiency testing. The service provider shall provide an example, copy or detailed description of a standardized, quantifiable, performance-based Relay Operator Proficiency Examination or other screening procedures that covers spelling, typing, dictation, procedures, characteristics of ASL as it may be reflected in the written language of TDD users, deaf culture, ethics and confidentiality, and professional judgment that ensures that CAS hired and retained by the service provider will meet or exceed the minimum qualifications identified in this RFS. The service provider shall also describe the procedures that will be used to ensure that CAS continue to meet the minimum requirements after they are hired.

4.8.6 Staff development. The service provider shall demonstrate how it will provide ongoing staff training.

4.9 Location and Capabilities of Relay Center(s). The service provider must demonstrate its ability to put into place a fully-functioning relay center (or centers) meeting the operational, technical and functional standards described previously and elsewhere in this section of the RFS. If the service provider proposes either building a new relay center or expanding the capability of existing relay centers, it must provide documentation demonstrating that it will be able to secure the needed building space, telecommunications and other necessary equipment and trained personnel to provide the proposed services.

4.9.1 Site Requirements. The service provider shall document its ability to provide building space for a relay center to handle the State's calls, perform all necessary site preparation work, provide all office furniture and office supplies and furnish all recurring and non-recurring physical plant needs. There shall be individual

workstations for operators of each terminal. Building and office space shall demonstrate expansion capability to handle any increased call volume. A service provider already operating one or more relay centers should provide details of its existing facilities and document how it would accomplish needed building expansion to handle the State's relay calls and its ability to further expand to respond to increased call volumes system-wide.

- 4.9.2 Location.** The building housing the operators may be located in the State of Hawaii or outside the State where the service provider is already operating a relay system for another state or states. Service providers may also propose various combinations of in-state and out-of-state facilities to handle the Hawaii relay operation at different times of the day or days of the week. Service providers proposing that any portion of relay services be provided in an in-state center can route calls to an existing relay center outside the State, prior to establishing an in-state center.
- 4.9.3. Equipment.** The service provider shall furnish all necessary telecommunications equipment and provide and arrange for all telephone service into and out of the relay center. The transmission circuits shall meet or exceed interexchange performance standards for circuit loss and noise. The center must have telecommunications equipment capable of receiving and transmitting in both Baudot and ASCII codes. Relay systems must be capable of automatically identifying incoming TDD signals as either Baudot or ASCII.
- 4.9.4 Back-up.** The service provider shall demonstrate an adequate back-up system, or show how relay calls could be rerouted to another relay center with sufficient capacity to handle the additional load in the event of a power outage, fire, cut trunk line or other disaster making a relay center inoperable for a period of time. If the service provider has experienced relay centers going off line in the past, it should provide information on how that contingency was handled, and the extent of the disruption in service that was experienced by relay users. If the service provider does not own a back-up relay center, then proof of a

contractual agreement with a proposed back-up center must be provided. The service provider shall also demonstrate how it will maintain an auxiliary source of power which is functionally equivalent to normal control office auxiliary sources of power so that the TRS will continue to function during power outages.

- 4.9.5. Transition Plan to New Service Provider.** Service providers shall describe a plan to transition TRS, including the TTY rental program, from the existing TRS provider if they are selected as the new service provider. The plan shall allow time as necessary to notify and educate TRS users and the general public about any changes that the transition may entail and shall describe the procedure for notifying and educating TRS users and the general public as needed. The plan shall also include a timeline of critical dates for major steps in the implementation process.

4.10 TTY Rental Program. Service providers shall establish a TTY rental program that is comparable to the existing program offered by Verizon Hawaii Inc. Under the terms of the existing rental program, tariffed under Verizon Hawaii Inc.'s PUC Tariff No. 2, Section 1B, TTYS are rented to: (1) hearing-impaired customers who have a hearing loss of 75 decibels or greater as certified by a doctor's certificate or audiologists' report; and (2) customers with a communication disorder which severely interferes with communicating effectively over the telephone, as certified by a physician or speech-language pathologist. The units are rented for \$6.00 per month for personal use only and are repaired or serviced at no charge to the customer. They are available from Verizon Hawaii Inc.'s Verizon Plus (fka, Phone Mart) locations. Furthermore, customers are liable for damages caused by negligence or willful act and for loss or theft. Upon disconnection of service, TTYS must be returned within seven days.

Service providers' proposed TTY rental programs shall provide for a monthly rental rate of no more than \$6.00 and repair and servicing of TTYS at no charge to the customer. Service providers shall describe the full details of their proposed TTY rental program, including rental rates, terms and conditions, statewide distribution, repair and servicing plans, relevant timelines, and customer notification and education plans. Nothing in this section shall prevent the service provider from including equipment other than TTYS on a going forward basis.

4.11 Account Representative. The service provider shall assign an account representative for the State's relay service with good communications skills in both ASL and written English, who may also be the representative from other states served by the service provider. The service provider shall describe the full duties and qualifications of the account representative including a job description, what other states besides Hawaii will be assigned to the representative, where the individual will maintain his primary office, what portion of the time the representative will actually be in Hawaii, the community and business group meetings that will be attended, and the respective roles of the account representative and others who will be handling consumer complaints, concerns and ideas.

4.12 Advertising, community outreach and travel reimbursement. Service providers should fund all activities for the account representative from their primary source of income from the State - reimbursements based on their price per minute for relay services. Service providers should generally describe the advertising and additional community outreach incorporated in the proposal.

4.12.1 Advertising. Service providers shall provide advertising for the Relay Program, including informational brochures and promotional items, production and airing of Public Service Announcements and other effective methods of making citizens throughout the State of Hawaii familiar with the Relay Program. Service providers shall include examples of advertising materials and programs that have proven effective in other states and which could be modified for use in Hawaii.

4.12.2 Community outreach. Service providers should also provide examples of community outreach activities that would be part of an account representative's normal duties, including but not limited to: (1) efforts to inform and educate the deaf, hard-of-hearing and speech-impaired community about the services offered, equipment options, and complaint procedures; (2) efforts to inform and educate the non-disabled population, including businesses and government agencies about the services and the types of calls they may expect to receive or initiate.

4.12.3 Travel. The service provider shall pay for travel of 2 Commission technical or management staff for the yearly meeting of National Association of State Relay Administrators.

4.13 Reports. The service provider shall provide a monthly report with the monthly billing statement which will enable the Commission to monitor whether the relay service is meeting each of the FCC and State performance standards. The report shall also include summary information on complaints received and their resolution as well as information on specific complaints, when appropriate. When applicable, the monthly report should include information on any hardware procedural or service enhancements made to the relay service. After receiving authorization from the Commission, the selected service provider may request designation of certain written reports as proprietary, consistent with the Commission's practice and procedures.

4.14 Audit Requirements. The Commission retains the right to audit the service provider pursuant to Chapter 6-80, Hawaii Administrative Rules.

4.15 Commission registration required. Prior to providing TRS, the service provider must hold a certificate of authority to provide telecommunications services in the State pursuant to chapter 269, Hawaii Revised Statutes, and chapter 6-80, Hawaii Administrative Rules.

4.16 Additional services. This RFS specifies minimum requirements for the State's relay services. Nothing in this section or other sections of the RFS is intended to prohibit a service provider from offering additional services to users. Service providers should specify any additional services that will be provided and the additional cost per call minute for which additional points may be awarded by the evaluation committee.

4.17 Additional requirements for FCC certification. Service providers shall identify other FCC requirements for certification related to TRS service provider operational, technical or functional performance not otherwise listed in this section of the RFS and specify how those requirements will be met.

SECTION 5: SERVICE PROVIDER PROPOSAL FORMAT

Submit one original and nine copies of the proposal and one electronic copy of the proposal.

5.1 Transmittal Letter/Overview/Summary Statement. Service providers shall provide a transmittal letter on company letterhead signed by an individual authorized to commit the company to the work proposed. The letter shall identify all material and enclosures being forwarded collectively as a response to this RFS. The service provider must clearly identify all intended subcontractors in the transmittal letter which may be needed to satisfy the requirements of this RFS. The service provider must acknowledge receipt of any amendments to the RFS by amendment number. If the service provider is willing to comply with all requirements of the RFS, the service provider must make a positive statement to that effect in their transmittal letter. If the service provider is unwilling to comply with any terms, conditions, or other requirements of the RFS, or with any contract provisions provided in the sample order accompanying this RFS, the service must so indicate here and in the appropriate section of the service provider's proposal. If in the body of the proposal the service provider indicates technical noncompliance with the RFS, the service provider may be rejected by the evaluation committee notwithstanding any assurances in the Transmittal Letter. Service providers are invited to use the Transmittal Letter or the beginning of their proposal to provide an overview of their proposal or other summary information that will provide a valuable context for the detailed review of the remaining contents.

5.2 Technical Component (Response to the Statement of Work). Starting with paragraph 4.2 in the Section 4 Statement of Work portion of this RFS, service providers shall respond to each paragraph and subparagraph of the section using the same numbering system. Service providers must respond directly to each section with a complete response detailing how the specification(s) therein will be met.

5.3 Price Component (Proposed Price per Call Minute). This section of the proposal must contain the service provider's fixed price per call minute for the total effort required to implement and operate the proposed services. Prospective TRS providers must submit two price proposals differing in funding mechanism assumptions only. One proposal must assume billing and collection of TRS revenues through a surcharge upon each subscriber line provided by each telecommunications carrier in the State, while the other proposal must reflect billing and collection through a percentage surcharge upon revenues of every telecommunication service provider in Hawaii. Estimated proposal prices are not acceptable. Payments will be based on contracted

services actually performed in accordance with the fixed price determined through this competitive bid. The State will reimburse the contractor monthly at the fixed price rate for all billable call minutes. To ensure that all service providers use the same criteria to determine billable call minutes, a call minute is defined as the time, in minutes and seconds, from the moment when a CA is ready to render assistance and/or ready to accept information to process a call until both relay users disconnect. This shall not include the time prior to the moment when a CA is ready to accept information to process a call, or time that the caller is in a queue or on hold waiting for the CA. Each service provider will submit a total price per call minute (flat rate) based upon information derived from this RFS. It is anticipated that each service provider will carefully evaluate numerous factors in arriving at its proposed price. Effectiveness of outreach efforts and increased advertising will have a direct bearing on future call volumes. A flat rate per call minute over a three-year period should take into consideration the anticipated continued increases in call volumes and resulting economies of scale. Efficiencies gained through anticipated technological advancements over the three years should also be considered. In addition, service providers must consider in their proposed cost the administrative costs of billing and collecting service revenues from telecommunication carriers. Also, the service provider will assume all responsibility for cost associated with establishing, accounting and maintaining the service revenues and expenses in a separate fund or account as required under Section 5.3.2. Service providers must submit a firm price quotation. Estimated prices or incomplete prices may be used as a basis for rejection of a proposal. The price contained in the service provider's proposal shall be binding for the initial three years of the contract period. For the following years, with the provision for the Commission to continue service for an additional 2 years, the price can not be increased by more than five percent (5%) each year unless the contractor and the State mutually agree that a 5% cap is unrealistic or unfair. No deviations, qualifications or counter offers will be accepted. The State reserves the right to reject all proposals.

- 5.3.1 Billing and Collection of TRS Revenues.**
The service provider shall be fully responsible for all billing and collection of TRS revenues. This includes, but is not limited to, mailing and receiving invoices for payment, establishing any billing and collection agreements or contracts with other telecommunication providers to assure proper payment for TRS, properly recording all TRS revenues and disbursements into a separate account or fund, providing detailed revenue and expense reports to the commission and other procedures

that may be necessary. In order to help service providers project this administrative cost, we provide the following historical data:

Option 1 (Subscriber Lines):

Verizon Hawaii Inc., the largest local exchange carrier in Hawaii, currently collects the TRS surcharge from 620,000 subscriber lines.

Option 2 (Gross Revenues):

| <u>Year</u> | <u># of Carriers</u> |
|-------------|----------------------|
| 2002 | 195 |

5.3.2 TRS Account or Fund. The service provider shall be required to maintain and account for all TRS revenues and expenditures in a separate account. Such accounting shall include separated interstate and intrastate revenues and expenditures in accordance with jurisdictional separation procedures and standards set forth in the Federal Communications Commission's regulations adopted pursuant to section 410 of the Communications Act of 1934, as amended. The service provider shall receive and deposit all payments from all carriers that are required to pay for TRS. The service provider shall provide the commission, at the end of each month, a statement or report of all deposits and withdrawals from this account, including beginning and ending balances. This report is due 15 days after the close of the previous month. Commission approval is required for any withdrawal from this account, as provided in section 4.5.

5.3.3 Contributions to the Fund. All telecommunications carriers operating or providing telecommunications service within the State shall contribute to the TRS fund. The commission shall annually, by order, set the amount of the contribution required to be made to the TRS fund by each telecommunications carrier, based upon one of two methods: 1) a surcharge upon each telephone subscriber line provided by each telecommunications carrier in Hawaii or 2) a percentage surcharge upon the gross intrastate revenues of every telecommunications provider in Hawaii.

Each telecommunications carrier shall pay its contribution directly to the service provider at dates and intervals set by the commission. Any interest charges due to late payment shall be between the service provider and the telecommunications carrier. Any interest earned from contributions to the TRS fund shall become part of the fund and be used to support the provision of current and future TRS.

Any amounts remaining in the TRS fund at the end of the contract period shall remain in the fund. If a new provider is selected, this fund transfers fully to the new provider.

5.4 Management Component (Qualifications and Track Record of the Service Provider)

5.4.1 Description of service provider, subcontractors and management approach. The service provider shall provide comprehensive descriptive information about the company that will be providing the relay service; a delineation of the relationship between the service provider and any and all subcontractors; general internal management procedures for accomplishing the activities and an overview of any existing relationships with the State. It shall also provide information on key individuals on the management team who will be responsible for instituting and maintaining the relay services and provide an organization chart that demonstrates how relay services and individual relay centers fit into the overall organization.

5.4.2 Service provider resources. The service provider, together with any subcontractors, must demonstrate that they can financially carry out all start-up and expansion costs to provide the State's relay services for the first two months before it collects its first monthly surcharge. The service provider must demonstrate adequate financial funding and technical ability to handle the relay calls that will be generated by the State, including possible increases in call volumes each year. The service provider shall also demonstrate that they have the depth of personnel resources necessary to carry out all aspects of this RFS within existing financial constraints. The service provider will be required to show financial statements from the last three years or, if the

service provider has not been in business for three years, since the business began.

5.4.3 Service provider experience providing relay services. Service provider shall provide sufficient information, including references, to allow the evaluation committee to determine the scope of the service provider's experience which would enable them to provide the type of services described in this RFS. The service provider shall describe all experience they have had in providing relay services or telecommunications equipment to the disabled. For applicable experience, the service provider shall provide a description of service, the state in which they were performed, and the names and phone numbers of the State Relay Administrators or other persons with the serviced entities responsible for evaluating the quality of services rendered and compliance with the contractual obligations. Service providers currently providing relay services for other states should provide current call volume data and the context for the provision of relay services to Hawaii.

SECTION 6: PROPOSAL INSTRUCTIONS, EVALUATION AND AWARD

6.1 Submission and General Instructions. Proposals must be received on or before the date and time indicated in the Schedule of Activities. It is the responsibility of the service provider to ensure that the Commission receives the proposal on or before the Proposal Submission Deadline (Section 2.2.2), regardless of the delivery method used.

Submit one original and (9) copies of the proposal, as well as an electronic copy in Word or Adobe Acrobat PDF format. The proposal package shall be delivered to or sent by mail to:

Hawaii Public Utilities Commission
465 South King Street, Rm. 103
Honolulu, Hawaii 96813
Attention: TRS review committee

The proposal must be signed in ink by an officer of the service provider who is legally authorized to bind the service provider to the proposal. Proposals, which are determined to be at a variance with this requirement, may not be accepted.

6.2 Process. An evaluation committee will evaluate the merits of the proposal received in accordance with the evaluation factors stated in this RFS and formulate a recommendation. The Commission will make a formal selection through a Decision and Order.

Failure of a service provider to provide any information requested in this RFS may result in the disqualification of the proposal. This responsibility belongs to the service provider.

The service provider with the highest evaluation score will be selected as the sole TRS provider in the State.

6.3 Evaluation Factors. The evaluation committee will evaluate proposals based on responses to the technical, cost and management components described in the RFS. The proposals will be scored on a 1,000 maximum point scale.

6.3.1 Technical Component (350 points). Responsiveness to Section 4 of this RFS will be evaluated based on:

- Compliance with mandatory requirements including operational, technical and functional standards;
- Quality of proposed TRS;
- Technical sophistication of proposed TRS network;
- Any proposed service and technological enhancements which improve service without significantly increasing cost; and
- Ability to meet proposed commencement date for TRS.

6.3.2 Price Component (300 points). Of the qualifying proposals, the one with the lowest price per call minute will be awarded the maximum possible points for this component. Other proposals will be awarded points for this component equal to the lowest proposed price multiplied by the maximum possible points for this component, divided by the higher proposed price.

6.3.3 Management Component (350 points). The evaluation committee will evaluate the qualifications and track record of each service provider as submitted in response to Section 5.4. It will award points for this component based on each service provider's overall ability, qualifications and experience in providing TRS.

VERIZON
LIVESOURCE
NATIONAL FORCE MANAGEMENT CENTER

2/5/03

HAWAII TRS USAGE 01 02 Itc

I. HAWAII TRS CALLS AND MINUTES

12 mo.

2002

| JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | AVG |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|---------|----------|
| 10579 | 8971 | 9957 | 10021 | 10077 | 9649 | 10019 | 10427 | 9253 | 9805 | 9438 | 9660 | 9821 |
| 57073.71 | 48817.19 | 55526.87 | 55516.34 | 55171.58 | 51477.42 | 49827.83 | 53942.35 | 50691.02 | 52767.24 | 46560.8 | 49040.6 | 52200.39 |
| 323.7 | 326.5 | 334.6 | 332.4 | 328.5 | 320.1 | 298.4 | 310.4 | 328.7 | 322.9 | 296.0 | 304.6 | 318.9 |
| 5.40 | 5.44 | 5.58 | 5.54 | 5.48 | 5.34 | 4.97 | 5.17 | 5.48 | 5.38 | 4.93 | 5.08 | 5.32 |

TOTAL CALLS

1 TOTAL MINUTES OF USAGE

2 AVERAGE SECONDS OF USAGE

3 AVERAGE MINUTES OF USAGE

2001

| JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | AVG |
|----------|----------|----------|----------|----------|---------|---------|---------|----------|----------|----------|----------|----------|
| 13058 | 13401 | 10603 | 10215 | 10108 | 10480 | 10573 | 11027 | 10657 | 10202 | 10367 | 10134 | 10902 |
| 55779.42 | 58473.03 | 56637.69 | 55807.95 | 53083.85 | 55963.2 | 54327.6 | 59123.1 | 58133.94 | 54648.71 | 52733.47 | 52240.77 | 55579.39 |
| 256.3 | 261.8 | 320.5 | 327.8 | 315.1 | 320.4 | 308.3 | 321.7 | 327.3 | 321.4 | 305.2 | 309.3 | 307.9 |
| 4.27 | 4.36 | 5.34 | 5.46 | 5.25 | 5.34 | 5.14 | 5.36 | 5.46 | 5.36 | 5.09 | 5.16 | 5.13 |

TOTAL CALLS

1 TOTAL MINUTES OF USAGE

2 AVERAGE SECONDS OF USAGE

3 AVERAGE MINUTES OF USAGE

NOTES:

1 TOTAL MINUTES OF USAGE is derived from the monthly Average Work Time/Customer Served Time in seconds divided by 60 and multiplied by the total number of calls per month.

2 AVERAGE SECONDS OF USAGE is the Average Work Time/Customer Served Time for the month.

3 AVERAGE MINUTES OF USAGE is derived from the average number of seconds per call divided by 60.

FINAL RFS
April 4, 2003
Docket No. 03-0058

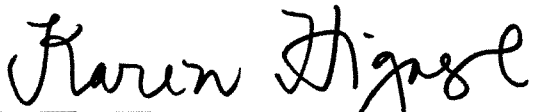
Attachment 1

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20111 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

JOEL K. MATSUNAGA
VICE PRESIDENT-EXTERNAL AFFAIRS
VERIZON HAWAII INC.
P. O. Box 2200, A-17
Honolulu, HI 96841



Karen Higashi

DATED: April 4, 2003